Chapter 18

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1. Excessive debt can make life hard for many years to come. Excessive debt will show in your credit score that can cause you to be denied some things such as a loan. Excessive debt also means you will have a long repayment period so you will have a lot of interest and end up having to pay even more.
2. Some of the responsibilities of creditors are to give consumers correct information. They can not mislead, and they must inform you about rules.
3. You must tell the company what happened. If something is purchased on the card it is your liability.
4. You can get fraud protection on your credit card.
5. When making online transactions you can look at the websites private policy to ensure your information is safe.
6. To avoid unnecessary credit costs keep cash on hand to pay for small items.
7. It is important to make more than the minimum payment when in debt to show you are going to pay it off and to pay it off quicker so you do not have to pay as much interest.
8. The longer that it takes to pay off a loan the more interest you will have to pay. So the installment of 1 year will have less interest than 2.
9. If they see a bunch of unused credit on your credit cards than they might still see you as a risk if you were to use the credit you have but don’t use.
10. The 5 Cs of credit. Character capacity capital conditions and collateral.
11. (i=PxRxT)
12. APR= 2xnxf/p(n+1)
13. Total charge = total price paid- cash price